GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2628
ANSWERED ON:31.08.2007
FEE CHARGED BY IRDA
Panda Shri Prabodh

Will the Minister of FINANCE be pleased to state:

(a) Whether the Insurance Regulatory and Development Authority (IRDA) is charging a percentage of the premium from insurance companies as fees;

(b) if so, the details thereof and the reasons therefor;

(c) whether the charges thus collected is a part of IRDA fund; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b): Yes, Sir. The Insurance Regulatory and Development Authority (IRDA) has reported that as per the provisions under Section 14 (1) (g) of the IRDA Act, 1999, the powers and functions of the Authority shall include - `levying fees and other charges for carrying out the purposes of this Act`. Further, as stipulated under section 20(1) in the IRDA (Registration of Indian Insurance Companies) Regulations, 2000, an insurer, who has been granted a certificate under section 3 of the IRDA Act, 1999, shall make an application in the prescribed form for renewal of the certificate to the Authority before 31st day of December each year, and such application shall be accompanied by evidence of the payment of the fee which shall be higher ofâ€”

(i) fifty thousand rupees for each class of insurance business, and

(ii) one tenth of one per cent of total gross premium written direct by an insurer in India during the financial year preceding the year in which the application for renewal of certificate is required to be made, or rupees five crores, whichever is less.

The fee thus collected is utilised for meeting the expenses related to the discharge of the various responsibilities cast on IRDA under the Act.

(c): Yes, Sir.

(d): As per the information provided by IRDA, the details of the amount collected as fee during the last six years is as under:-

Year	Amount in Rs. (in crores)
2001-2002	23.48
2002-2003	6.39
2003-2004	17.85
2004-2005	21.54
2005-2006	25.31
2006-2007	42.50